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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, APRIL 20, 2001

APPLICATION OF

CORETEL VIRGINIA, LLC

CASE NO. PUC000281

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On January 23, 2001, CoreTel Virginia, LLC ("CoreTel" or the "Company"), completed an application for a certificate of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated February 16, 2001, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a Staff Report, and scheduled a public hearing to receive evidence relevant to CoreTel's application. On March 27, 2001, CoreTel filed proof of publication and proof of service as required by the February 16, 2001, Order.

On March 30, 2001, the Staff filed its Report finding that CoreTel's application was in compliance with the Rules Governing

the Offering of Competitive Local Exchange Telephone Service ("Local Rules"). Based upon its review of CoreTel's application, the Staff determined it would be appropriate to grant the Company a certificate to provide local exchange telecommunications services subject to the following conditions:

- (1) should the Company collect customer deposits, CoreTel shall establish and maintain an escrow account held by an unaffiliated third party, notify the Division of Economics and Finance of the escrow arrangement, and maintain the account until such time as the Staff or the Commission determines it is no longer necessary; and
- (2) the Company shall provide audited financial statements of its affiliate, Core Communications, Inc., or audited consolidated financial statements of its parent, CoreTel Communications, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of CoreTel's initial tariff.

A hearing was conducted on April 11, 2001. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection. No public witnesses appeared.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that the Company should be granted a

certificate to provide local exchange telecommunications services.

Accordingly, IT IS ORDERED THAT:

- (1) CoreTel Virginia, LLC, is hereby granted a certificate of public convenience and necessity, No. T-554, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.
- (2) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.
- (3) Should the Company collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party for such funds, and shall notify the Division of Economics and Finance of the escrow arrangement.

 Any escrow arrangement established by CoreTel shall be maintained for such time as the Staff or Commission determines is necessary.
- (4) The Company shall provide audited financial statements of its affiliate, Core Communications, Inc., or audited consolidated financial statements of its parent, CoreTel Communications, Inc., to the Division of Economics and Finance

no later than one (1) year from the effective date of CoreTel's initial tariff.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.